



new directions

A REPORT ON REGULATORY REINVENTION

Creating a “Fundamentally Different System...”

Can we create an environmental regulatory system more attuned to the needs of specific industry sectors and stakeholder groups?

This question is often asked during debates about how to improve our current environmental regulatory system. As a result, early in her tenure EPA Administrator Carol Browner launched the Common Sense Initiative (CSI) as a “fundamentally different system” that would allow industry-based, multistakeholder approaches to be explored.

From its origin, CSI has provided a pathfinding forum for breaking through one of the biggest constraints associated with the current environmental regulatory system — the single-media approach to pollution control that has prevailed for more than 25 years. During this time, controlling pollution in specific media — our air, land, and water — has worked well for

reducing adverse impacts from the most obvious sources, namely large industries and municipal operations. But recently, the limitations of this approach have become widely recognized. Across the country, environmental managers in industrial and municipal facilities face difficulties in trying to track, understand, and comply with multiple regulatory requirements. And EPA staff have often failed to recognize the opportunities for achieving better environmental results that lie outside their traditional realm of responsibility. In addition, concerned citizens and other interested stakeholders often have difficulty accessing and understanding environmental information and participating in environmental policy and decision-making.

CSI confronts these limitations, replacing the single-media or pollutant-by-pollutant approach of the past with a more comprehensive industry-by-industry approach for the future. This new orientation, along with a commitment to multiple stakeholder involvement and consensus-based decision-making, are CSI’s three defining elements.

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“Protect **people**,
not bureaucracy.
Promote **results**,
not rules.
Get **action**,
not rhetoric.”

PRESIDENT CLINTON

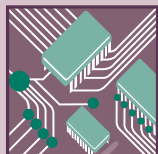
inside

CSI Sectors Get Special Help in New England	3
New York City Printers and Communities Get a Helping Hand from CSI	6
Metal Finishing Sector Creating National Performance Goals	7
Reinvention Listserver	8

CSI Sectors



**Automobile
Manufacturing**



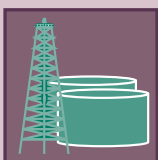
**Computers
& Electronics**



Iron & Steel



**Metal
Finishing**



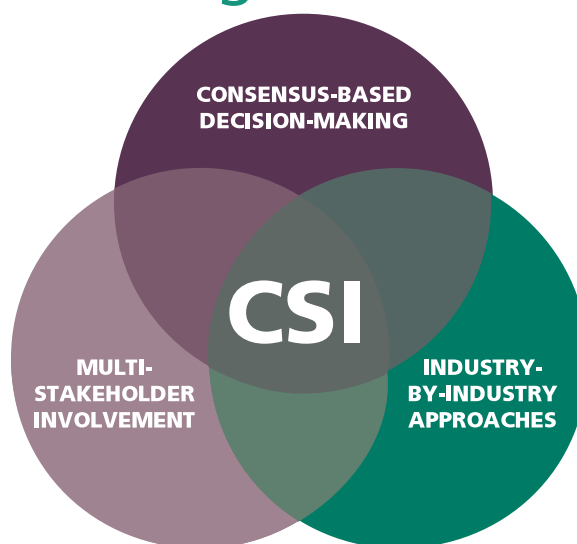
**Petroleum
Refining**



Printing

Together these industries comprise 11 percent of the U.S. gross national product, employ over 4 million people, and account for more than 12 percent of the toxic releases reported by American industry.

The Defining Elements of CSI



An Industry-by-Industry Approach

Under CSI, diverse stakeholders convene to discuss how to improve environmental performance in specific industry sectors. This involves looking at traditional regulatory functions, such as permitting and reporting, and also searching for new opportunities to improve environmental performance that may not have been investigated or even recognized.

To date, CSI has targeted six industry sectors: automobile manufacturing, computers and electronics, iron and steel, metal finishing, petroleum refining, and printing. Together, these industries comprise 11 percent of the U.S. gross national product, employ over 4 million people, and account for more than 12 percent of the toxic releases reported by American industry.

These sectors were chosen to represent a broad array of challenges currently facing American industry. Among the six, automobile manufacturing, iron and steel, and petroleum refining are three large, highly regulated industries with a long, and sometimes controversial, relationship with EPA. The metal finishing

and printing sectors were chosen to represent the challenges of small businesses, which dominate these industries. Finally, the computers and electronics industry was selected because many of today's processes were not in existence when most environmental regulatory requirements were written years ago.

Multistakeholder Participation

To ensure all relevant interests are brought to bear on the changes that evolve under CSI, multiple stakeholders are invited to participate in the dialogue on how to improve traditional regulatory approaches within specific sectors. These stakeholders, which include environmental organizations, environmental justice groups, labor unions, government regulators, and industry, have their own distinct needs and interests. For example, industry participants often want more operational flexibility; environmentalists seek continued tough action against polluters; communities seek better access to information about the industries in their neighborhoods; and state, tribal, and local governments rally for simpler regulatory systems. CSI invites these diverse interests to explore and promote innovative reforms together.

CSI Operating Principles

- Participating and communicating in an open, direct, cooperative, and trusting spirit.
- Addressing each member's views with respect, and working to build common ground when divergent perspectives are expressed.
- Understanding the compromises necessary to reach consensus, and taking care not to misrepresent the views of other parties on any agreement reached, or to mischaracterize as final those matters still under discussion.
- Seeking to reach a consensus in good faith, asking for clarification, offering alternative suggestions, and listening with an open mind to issues under discussion.
- Building relationships with other members that go beyond the tenure of the Council or subcommittee.
- Conducting ourselves and our organizations in a manner consistent with the goals and spirit of CSI, which each member has accepted by agreeing to serve on the CSI Council.

Decision-Making by Consensus

How does CSI channel the energies of diverse stakeholders into decisions that are productive and acceptable to all participants? The answer lies in consensus-based decision-making, which means giving all voices an equal chance to speak; treating all options, suggestions, and opinions as worthy of consideration; and promoting flexibility. Over the past 3 years, CSI participants have found that consensus-based decision-making, while sometimes lengthy, produces stronger environmental protection strategies developed with the very parties responsible for their implementation.

A consensus-based approach creates synergy among participants — it affects the way people listen, encourages them to weigh options, and stimulates their creativity in finding solutions to tough problems. It also encourages full and open discussions *prior* to EPA action. Traditional regulatory processes have often led to conflict and gridlock, with environmental and economic ideals pitted against one another. In contrast, CSI's consensus-based approach airs the interests, concerns, and requirements of the various stakeholder groups up front in an effort to identify mutually acceptable and advantageous strategies and to avoid costly and time consuming confrontations later in the process.

CSI Sectors Get Special Help in New England

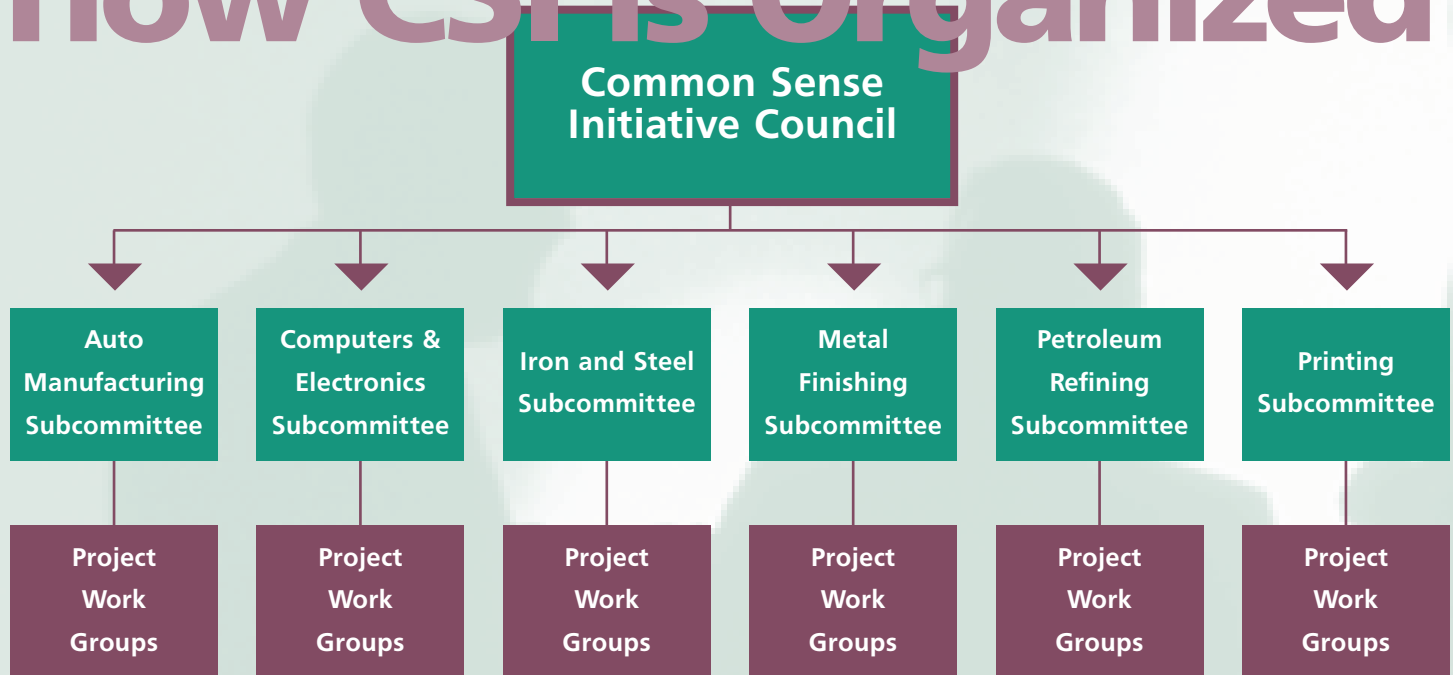
In the northeast, CSI is getting a boost from the New England Environmental Assistance Team (NEEAT), an EPA staff dedicated to helping specific sectors to understand and comply with environmental laws and regulations, and to explore pollution prevention practices as a means of achieving economic and environmental benefits that go beyond compliance. Based on focus group discussions designed to identify those sectors facing the greatest challenges in meeting regulatory requirements, NEEAT selected metal finishing, electronics manufacturing, and printing — all CSI sectors — for special attention.

NEEAT is devoted to listening to sector representatives and then working in cooperation with trade associations, individual companies, and local government agencies to provide information, training, and other assistance as needed — even if it does not align with traditional EPA services. Sample services offered to date include:

- A toll-free assistance hotline (1-800-90NEEAT) that provides a “one-stop-shopping” service for callers to ask questions about pollution prevention and compliance.
- “Partners for Change,” a voluntary recognition program that encourages businesses and communities — no matter how small — to explore and implement responsible environmental practices.
- Guidance documents on nontraditional topics, such as *Financing Pollution Prevention Investments: A Guide for Small and Medium-Sized Businesses*.

Most recently, NEEAT began working with the auto repair and wood coating industries. Based on the positive response from its customers, EPA expects NEEAT will expand in the future to provide additional services and to include other sectors.

How CSI is Organized



EPA's Administrator and Deputy Administrator co-chair the CSI Council; Assistant Administrators, Regional Administrators, and Deputy Regional Administrators serve as chairpersons for CSI subcommittees.

Putting CSI to Work

CSI is guided by a Council that includes senior leaders from industry and numerous national stakeholder groups. The Council acts as an umbrella for the subcommittees established to explore issues facing each sector. The subcommittees then create work groups to pursue various projects specific to their interests.

Sector subcommittees and work groups meet frequently to discuss project progress and policy issues. Results from these efforts may lead to action in one of two ways. First, decisions and findings may be forwarded to the CSI Council, which may translate them into recommendations for EPA policy or regulatory actions. For example, the computer and electronic subcommittees recommended EPA take action to ensure that all interpretations and decisions affecting envi-

ronmental management practices be compiled, made accessible, and publicized to interested parties. In response, EPA has set up an Enhanced Public Access Task Force that, among other things, will provide training to regulation writers to help improve the clarity of EPA regulatory language and institutionalize the posting of all new regulatory documents on the Internet. In cases where no EPA action is needed, industry and other participants in the CSI process may act on opportunities for improvement independently. Together, these two outcomes are the means through which CSI becomes a force for long-term, progressive change.

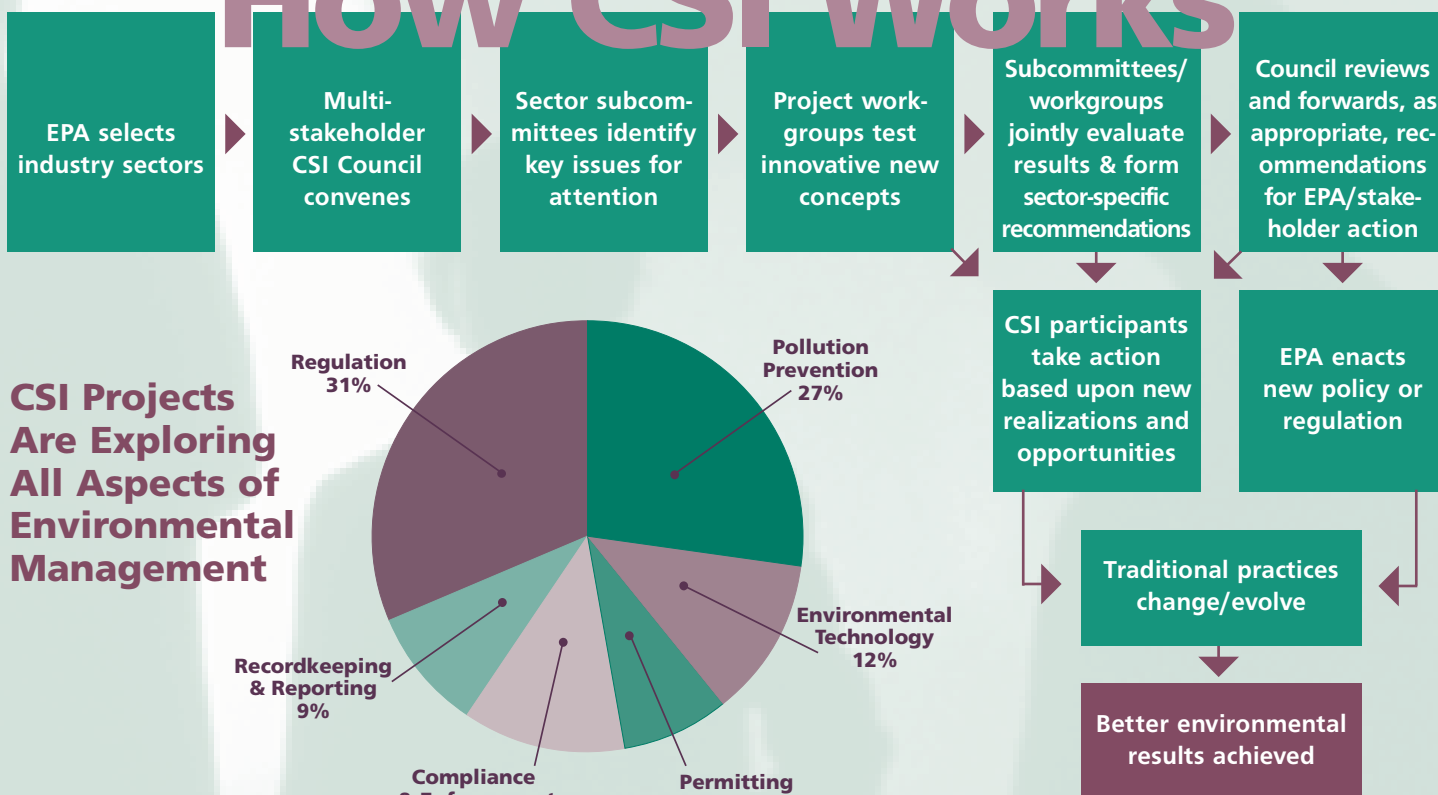
The CSI Council operates in accordance with the Federal Advisory Committee Act (FACA), passed in 1971 to improve public confidence in decision-making and open government processes to public participation. FACA committees are required to have balanced mem-

bership representation; their meetings are announced in advance and open to the public, and, as the Act states, "they are frequently a useful and beneficial means of furnishing expert advice, ideas, and diverse opinions to the federal government." Given the number and diversity of participants involved, the rules guiding FACA committees provide a firm foundation for CSI's open, deliberative process.

Cross-Agency Support

Within EPA, CSI is not an isolated program. Rather, it permeates nearly every traditional program office in the Agency. It does have a small distinct staff, located in the new Office of Reinvention, with coordination and communication functions inside and outside the Agency. This staff is only part of a larger cadre of EPA professionals, however,

How CSI Works



CSI Projects Are Exploring All Aspects of Environmental Management

working on a variety of CSI sector-specific initiatives. This internal network is creating new links among programs, a critical development in achieving the multimedia, industry-by-industry breakthroughs that CSI envisions.

Success, To Date

As CSI has evolved over the past 3 years, a common interest in building a better environmental regulatory system has helped to keep participants at the table even during the most difficult discussions — when diverse opinions and interests have been obvious. Because of this commitment, progress continues to be made in each of the six industry sectors. Over 40 projects, in various stages of development and implementation, are underway that, collectively, have the potential for affecting all aspects of environmental management and regulation. These projects were based on subcommittee members' intimate knowledge of

the processes, regulations, and policies that affect industries, communities, and our natural resources. The sector profiles that follow provide more detail on why

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specific projects were chosen, what has been accomplished, and how they may affect environmental policies and management approaches more broadly.

As work continues under each sector, EPA and Council members are considering how the CSI process might work more effectively in the future. At different stages, various stakeholders, as well as EPA's own staff, have registered concerns. For example, one conclusion reached in independent and government evaluations, as well as during the Council's own self-assessment, is a need for more direction and leadership from EPA. As CSI becomes more mature and moves into the new Office of Reinvention, the Council may be asked to assume an expanded advisory role, one that would focus on an even broader array of regulatory reform issues. This expanded role is being considered based on EPA's continued confidence in the Council's ability to lead and address some of today's most challenging environmental management issues.

printing

New York City Printers and Communities Get a Helping Hand from CSI

Solvents, inks, and other materials used in the printing process create a number of environmental management challenges for the printing sector. In an effort to help these businesses better understand and comply with their obligations under federal, state, and local environmental laws, CSI targeted an area of the country with a heavy concentration of printing shops — New York City. Nearly 2,400 shops are in operation there, and more than 75 percent of them are small businesses with 10 employees or less. By acting as an organizational force for local printing service providers, as well as for community activists interested in promoting cleaner printing in their neighborhoods, CSI is helping to meet the informational needs within the printing industry while testing models with possible applicability in other locations and sectors.

Printers Learn Where to Turn

A dozen organizations in New York City offer technical assistance to local printers to help them understand environmental requirements and to assist them with pollution prevention techniques.

These include state and local providers, trade associations, environmental ombudsmen, and industrial extension services. Collectively, these organizations are a powerful resource for printers interested in obtaining environmental regulatory information. But CSI work group members, dedicated to improving environmental performance within the sector, realized that many assistance providers were not aware of each other's services. So, how could printers know where to turn for information?

In an effort to raise awareness about the educational and assistance opportunities available, CSI invited New York City technical assistance providers to a summit to describe their services and to learn about the services of others. Thanks to these organizing steps taken by the CSI work group, this information exchange was so successful that meetings have continued quarterly.

This summit also resulted in a technical assistance directory, which is distributed free to all printers and to community members who are also keen to learn about preventing pollution from printers in their neighborhoods. So far, well over 4,000 books have been distributed, and based on high demand, plans have been made to reprint the directory in other languages, such as Korean, Spanish, and Yiddish, and to provide for regular updates.

Communities Share the Responsibility

CSI is also building assistance capacity for the printing sector through another network: interested and committed individuals living and working within the community. Realizing that federal, state, and local environmental officials cannot be the sole advocate for environmental protection, citizens are fast becoming active participants in seeing that their neighborhoods are clean, healthy, and prosperous. One avenue for this participation is helping local businesses operate in an environmentally sound manner.

Through the community advocacy and technical expertise of the CSI printing work group, five community groups in the New York City boroughs were brought together to learn about printing procedures and pollution prevention techniques that local printers may use to help keep the environment clean. Today, these community groups are better educated about good printing practices, and as consumers, know how to select "green" processes that reduce pollution. Soon, they will reach out directly to local printers to encourage them to learn more about compliance and pollution prevention, while keeping sight of the much needed printing services and employment opportunities provided by these companies. This unique approach has lead CSI participants in all sectors to reconsider the public's role in environmental matters.



metal finishing

Metal Finishing Sector Creating National Performance Goals

In a bold effort to foster improved environmental performance across an entire industry, the metal finishing sector is creating a voluntary Strategic Goals Program that sets “meaningful and achievable” performance targets for metal finishing firms. These targets include a 98 percent efficiency rate for metals utilization on products, a 50 percent reduction in water use, a 25 percent reduction in energy use, a 90 percent reduction in organic Toxic Release Inventory emissions, and 50 percent reductions in metals emissions and hazardous sludge disposal. The voluntary goals also include reductions in sludge generation, human exposure rates, and compliance costs.

Performance targets also are being set for the metal finishing industry as a whole. These include a 100 percent compliance rate across the industry and 80 percent of all firms achieving the facility-specific targets described above.

The performance goals are bolstered by an action plan that includes commitments by all stakeholder groups — industry, government, and nongovernment organizations — to support the Strategic Goals Program. These actions will cover many important issues for the metal finishing industry, such as reporting reforms, improved compliance assistance, and

development of low-cost pollution prevention technologies. The action plan includes a commitment to tough enforcement against chronic noncompliers, balanced by tangible recognition of top-performing facilities by all stakeholder groups. Taken as whole, the action plan will provide facilities with incentives to pursue the goals and will reduce barriers to achieving them. Below are two examples of specific actions being taken to support the industry.

Working With Local Wastewater Plants on Industrial Wastewater Pretreatment

Publicly Owned Treatment Works (POTWs), also known as wastewater plants, have a major impact on the environmental performance of metal finishers because of the control POTW operators have over the wastewater sent from metal finishers to the POTWs for treatment. The metal finishing sector recognized this leverage point, and identified opportunities for POTW operators to improve pretreatment practices of industrial facilities in their systems — in other words, to reduce

pollutant loadings without limiting industrial activity. The sector analyzed POTW practices in three states, then presented ideas for improved POTW information, education, and flexibility to EPA’s Office of Water. The Agency has used these stakeholder findings in taking decisive action to provide POTWs with better data systems, training tools, operating guidance, and soon-to-be-proposed regulatory reforms. This collaborative effort by CSI stakeholders and EPA will help POTWs continue their progress in reducing the discharge of pollutants in wastewater.

A Well-Balanced Compliance Assistance Program

The metal finishing sector is addressing the compliance assistance needs of small business in this sector with two products that are now available to metal finishers nationwide. The National Metal Finishing Resource Center provides online technical assistance on metal finishing processes and environmental technologies. The *Metal Finishing Guidance Manual* contains comprehensive, plain English information on federal and state environmental standards. Together, these two new tools provide metal finishers with quick, easy, and up-to-date information on how to improve their environmental performance.

Metal finishing facilities who participate in this voluntary program will commit to reducing metals usage by 98 percent, water usage by 50 percent, and energy use by 25 percent.

Reinvention Listserver

Want to stay on top of the latest activities and events on reinventing environmental protection? EPA's Office of Reinvention has set up an e-mail listserver to distribute key announcements about reinvention activities and events. The listserver is just one tool in EPA's continuing efforts to improve public access to critical information.

Anyone with an e-mail account may subscribe (at no charge) to the reinvention listserver. To subscribe, send an e-mail message to:

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On the first line of the message type:

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You should receive an automatic confirmation message stating that you have subscribed successfully. Questions? Suggestions? Contact Jeff Morin, Office of Reinvention, at morin.jeff@epamail.epa.gov or 202 260-5067.



For More Information

Do you have questions about EPA's reinvention activities? Would you like copies of this report? If so, contact EPA's Regulatory Reinvention Team at **202 260-4261**. Or look for more information on the Internet at (<http://www.epa.gov/reinvent>). You'll find special reports, remarks from senior Administration and Agency officials, detailed fact sheets, and much more.



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